Sustainable Finance

The EU Commission will publish a revised strategy for sustainable finance in spring 2021. This strategy is intended to help mobilise the investments needed to implement the Green Deal. For the climate and energy targets to 2030 alone, annual additional investments of at least 260 billion euros are necessary. The concept of sustainable finance can provide an important stimulus for investors and thus drive forward the ambitious change. The VCI supports the guiding principle that obligations for investors and benchmarks for a low-carbon economy should be defined according to specific criteria.

Energy-intensive industries need reliable access to the capital market for the transition to a climate-friendly economy. In particular, this holds true for companies which are at the beginning of the transition towards more sustainability. Here, innovations and new technologies can produce comparatively strong climate effects. No sector should be generally denied access to the financial market by means of exclusion criteria or negative lists. The VCI rejects a binary classification system.

Review the criteria on a regular basis

The assessment criteria for economic activities are being developed at the moment. In order to enable companies to plan ahead reliably, such criteria must be consistent and coherent with existing legislation for financial market instruments.

Furthermore, there should be on open mind for a wide range of different technologies, and the current state-of-the-art should be reflected by way of regular reviews of the assessment criteria. A holistic view of sustainability also presupposes that equal consideration is given to all of its three dimensions: ecology, economy and social aspects. It is deplorable that the present approach still narrows the focus on the ecological dimension in an excessively one-sided manner.

Rules should be uniform to the largest possible extent

Currently, not only the EU Commission but also some Member States are developing their individual models and criteria for sustainable finance. Such go-it-alone action cannot achieve the given goals. In order to increase the comparability of sustainable financial investments, these should be defined and applied uniformly at least at EU level. The VCI speaks for further harmonisation through the OECD or the United Nations. This would prevent competitive disadvantages for companies located in the European Union and allow global comparability.

THE VCI IS CALLING FOR THE FOLLOWING

Avoid negative list of energy-intensive activities

Drawing up a negative list of energy-intensive processes would mean exclusion from the capital market for many companies and reduce investment incentives for the development of innovative technologies. Instead, the implementation of the existing taxonomy and its impact on the financial markets should be closely examined and optimised if necessary.

Accompany current market developments with legislation

The share of sustainable investment opportunities is rising continuously and rapidly – the laws of the market are taking effect. The accompanying development of a uniform set of rules and regulations can enhance transparency and comparability without dirigiste specifications or far-reaching market interventions.

Workable implementation for companies

Especially small and medium-sized enterprises must carefully manage their resources. Only clear-cut and proportionate reporting obligations, which also take into account competitive aspects in an international context, can keep the additional cost and effort as low as possible. New reporting obligations must be brought into line with existing requirements.

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